

January 31, 2017

VIA HAND DELIVERY

The Honorable Chair and Members of
the Hawaii Public Utilities Commission
Kekaunaoa Building
465 South King Street, 1st Floor
Honolulu, Hawaii 96813

**Re: Docket No. 2011-0331—Waikoloa Resort Utilities, Inc., dba
West Hawaii Utility Company; Application for General Rate Increase;
Quarterly Energy Use and Efficiency Report**

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Dear Commissioners:

Pursuant to Ordering Paragraph No. 7 of Decision and Order No. 32107, enclosed is West Hawaii Utility Company's Energy Use and Efficiency Report for the quarter ending December 31, 2016.

If you have any questions, please feel free to contact us.

Very truly yours,

WATANABE ING LLP


J. DOUGLAS ING
PAMELA J. LARSON
DAVID Y. NAKASHIMA

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Enclosures

cc: Division of Consumer Advocacy (*via hand delivery*)



HAWAII WATER SERVICE COMPANY

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WEST HAWAII UTILITY COMPANY ENERGY USE AND EFFICIENCY REPORT

(For the quarter ended December 31st, 2016)

In Ordering Paragraph No. 7 of Decision and Order No. 32107 filed in Docket No. 2011 -0331 on May 23, 2014, the Hawaii Public Utilities Commission (the "Commission") ordered West Hawaii Utility Company ("WHUC") to file quarterly energy use and efficiency reports with the Commission. The Commission further ordered that said reports shall, at a minimum, include descriptions of: (A) WHUC's renewable energy self-generation efforts; and (B) WHUC's efforts in utilizing demand response to reduce its energy costs.

The following is an update on WHUC's efforts toward reducing energy consumption and increasing energy efficiency.

1. WHUC engaged a consulting firm to analyze installing alternative energy sources for its facilities as well as other energy-saving opportunities. Phase II "Perform a Market Assessment" has been completed. The main deliverable under the Phase II assessment was the Business Model for the Waikoloa North Well Field PV Project. In November 2015, WHUC met with the landowner to discuss the PV project planned for the Waikoloa Wells in the North Well Field. On March 22, 2016, WHUC submitted a formal request to the landowner to add PV to the permitted uses under WHUC's easement for the North Well Field. HWSC is in discussions with the landowner regarding the request, which includes assessing the value of the easement for consideration of purchase. In December, a real estate appraiser visited the property in connection with an appraisal of the easement. In addition, WHUC's consultant has had initial meetings with HELCO regarding the PV project in the North Well Field.
2. PRV 900 Hydro-turbine application: Per HELCO's recommendation, WHUC's contractor submitted a non-utility generator proposal to HELCO under HELCO's feed-in tariff (FIT). All HELCO application requirements were met on 12/21/2015.

HELCO filed its application for Request for Approval of the Schedule Q Purchased Power Contract between Hawai'i Electric Light and Hawai'i Water Service with the Commission on January 18, 2017 in Docket No. 2017-0010. The outcome of the application will determine WHUC's next steps for this project.